

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7063

BILL NUMBER: HB 1297

NOTE PREPARED: Jan 4, 2006

BILL AMENDED:

SUBJECT: Product and Service Warranties.

FIRST AUTHOR: Rep. Friend

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that a person whose vehicle is covered by a warranty issued by a repair shop may either obtain warranty service from the repair shop or be reimbursed from the repair shop for the expenses necessary to repair the defect covered by the warranty. The bill also specifies that a warranty provision contrary to this act is void, and permits a person whose vehicle is covered by a warranty to obtain reasonable attorney's fees if the person prevails in an action brought to enforce the warranty.

Effective Date: July 1, 2006.

Explanation of State Expenditures:

Explanation of State Revenues: *Court Fee Revenue:* This bill allows a person who initiates an action to enforce a warranty to recover attorney's fees. If additional civil actions occur and court fees are collected, revenue to the state General Fund may increase. A civil filing fee of \$100 would be assessed when a civil case is filed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. Any additional revenues are likely to be small.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Court Fee Revenue:* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 filing fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case

is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund.

State Agencies Affected:

Local Agencies Affected: Trial courts, city and town courts.

Information Sources:

Fiscal Analyst: Adam Brown, 317-232-9854.